

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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3 In the matter of )  
4 NON-STOP SHOPPING.COM, INC. ) DOCKET NO. S-03427A-02-0000  
5 d/b/a 2C2K.COM, INC. )  
6 4757 East Greenway Road ) DECISION NO. 66076  
7 Phoenix, Arizona 85032 )  
8 DONALD L. LEVINE ) **ORDER TO CEASE AND DESIST, ORDER**  
9 2 West Waltann Lane ) **OF RESTITUTION, ORDER FOR**  
10 Phoenix, Arizona 85023 ) **ADMINISTRATIVE PENALTIES AND**  
11 KENNETH MARK DEUBNER ) **CONSENT TO SAME BY RESPONDENTS:**  
12 7911 East Princess Drive, #1249 ) **STEPHEN ROSENBAUM and BOBBIE JO**  
13 Scottsdale, Arizona 85255 ) **SWARTZ**  
14 STEPHEN ROSENBAUM )  
15 6801 East Evans Drive )  
16 Scottsdale, Arizona 85254 )  
17 BOBBIE JO SWARTZ )  
18 6801 East Evans Drive )  
19 Scottsdale, Arizona 85254 )  
20 Respondents. )  
21 \_\_\_\_\_ )

22 STEPHEN ROSENBAUM (“ROSENBAUM”), an unmarried man, and BOBBIE JO  
23 SWARTZ (“SWARTZ”), an unmarried woman (collectively “CONSENTING RESPONDENTS”)  
24 elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the  
25 Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* (“Securities Act”) with respect to this Order  
26 To Cease And Desist, Order of Restitution, Order for Administrative Penalties and Consent to  
27 Same by Respondents: Stephen Rosenbaum and Bobbie Jo Swartz (“Order”). CONSENTING  
28 RESPONDENTS admit the jurisdiction of the Arizona Corporation Commission (“Commission”);  
29 neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and  
30 consent to the entry of this Order by the Commission.

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**I.****FINDINGS OF FACT****Respondents**

1. At all times material hereto Respondent KENNETH MARK DEUBNER (“DEUBNER”) was a married man and an Arizona resident; his last Arizona residence address was 7911 East Princess Drive #149, Scottsdale, Arizona. His current address is 25 Highland Park Village, Box 100, Dallas, Texas 75205. DEUBNER is an attorney who is licensed to practice law in Texas, but not licensed to practice law in Arizona.

2. At all times material hereto, Respondent NON-STOP SHOPPING.COM, INC. d/b/a 2C2K.COM, INC. (“2C2K”) was a Nevada corporation authorized to do business in Arizona, with its registered place of business in Arizona at 4757 East Greenway Road in Phoenix, Arizona.

3. At all times material hereto, Respondent ROSENBAUM was a single man and an Arizona resident.

4. At all times material hereto, Respondent SWARTZ was a single woman and an Arizona resident.

5. It is alleged in the Notice of Opportunity for Hearing in this matter that, at all times material hereto, Respondent DONALD L. LEVINE (“LEVINE”) was an Arizona resident and a married man; his last known residence address was 2 West Waltann Lane, Phoenix, Arizona. It is further alleged that, at all times material hereto, LEVINE operated a marketing and public relations business in Phoenix, which operated from his former residence at 1301 East Missouri in Phoenix, Arizona.

6. CONSENTING RESPONDENTS did acts within and from Arizona out of which the claims herein arose.

**The Securities Operation**

7. On or about June 30, 1999, 2C2K was incorporated as a Nevada corporation.

8. Pursuant to the incorporating documents, DEUBNER was the initial President and

1 Secretary of 2C2K. DEUBNER was replaced as President on or about July 2, 1999, by LEVINE.  
2 From July 2, 1999 to September 19, 1999, DEUBNER served as Executive Vice President, Secretary,  
3 and Treasurer of 2C2K. DEUBNER resigned all offices with 2C2K on September 19, 1999, but  
4 again commenced to serve as 2C2K's sole officer and director on February 9, 2000, following the  
5 resignation of LEVINE as a corporate officer.

6 9. At the time of its incorporation, 2C2K had no tangible assets.

7 10. 2C2K was authorized to do business in Arizona on or about July 9, 1999, as a d/b/a  
8 designation of NON-STOP SHOPPING.COM, INC.

9 11. CONSENTING RESPONDENTS planned that 2C2K would establish an on-line  
10 "shopping mall" that would provide an opportunity for Internet shoppers to purchase various  
11 products.

12 12. 2C2K had an agreement with Quantum Computer Services, Inc., dba  
13 MyOwnEmail.com ("MOE"), a Louisiana corporation, pursuant to which MOE had agreed to  
14 provide advertising to email subscribers for the 2C2K "mall."

15 13. CONSENTING RESPONDENTS negotiated with merchants to offer goods and  
16 services through the 2C2K Internet "shopping mall"; however, a website that actually offered the  
17 goods and services these merchants had agreed to provide was never set up online.

18 14. Beginning on or about June 30, 1999, CONSENTING RESPONDENTS offered and  
19 sold securities, namely shares of stock in 2C2K, within and from Arizona. CONSENTING  
20 RESPONDENTS promoted their investment to potential investors through personal contacts with  
21 potential investors.

22 15. CONSENTING RESPONDENTS were aware that a written business plan for 2C2K  
23 (the "Business Plan"), had been prepared, copies of which were provided to some potential investors  
24 in 2C2K.

25 16. Shares of 2C2K stock were offered and sold to at least nine investors, and a total of  
26 \$55,000 was received from investors as a result of such sales by Consenting Respondents. Although

1 the sales were purportedly made pursuant to a private placement exemption from registration,  
2 CONSENTING RESPONDENTS failed to comply with the requirements for such an exemption  
3 from registration. CONSENTING RESPONDENTS' failures to comply included failure to ensure  
4 that the investors all were accredited or sophisticated investors, and/or failure to provide investors  
5 with sufficient truthful information to enable them adequately to evaluate the risks of the investment.

6 17. Funds received from at least six investors were wire transferred by the investors  
7 directly to DEUBNER's Texas attorney's Trust Account; the remaining investment funds were  
8 deposited into LEVINE's personal bank account or into an account established for the benefit of  
9 2C2K.

10 18. When funds were received from investors into DEUBNER's Texas attorney's Trust  
11 Account, DEUBNER immediately disbursed all such funds by writing checks to himself and to other  
12 RESPONDENTS, including a company controlled by Consenting Respondents.

13 19. Subsequent to the offers and sales referred to herein, 2C2K entered into an agreement  
14 with eFling.com, Inc., a Nevada corporation, pursuant to which eFling.com, Inc. acquired 2C2K.  
15 2C2K thereupon ceased to exist as an independent entity.

16 20. The securities referred to above were not registered pursuant to the provisions of  
17 Articles 6 or 7 of the Securities Act.

18 21. CONSENTING RESPONDENTS offered or sold securities within or from Arizona,  
19 while not registered as dealers or salesmen pursuant to the provisions of Article 9 of the Securities  
20 Act.

21 22. CONSENTING RESPONDENTS made, participated in, or induced certain of the  
22 offers and/or sales referred to herein.

## 23 II.

### 24 CONCLUSIONS OF LAW

25 1. The Commission has jurisdiction over this matter pursuant to Article XV of the  
26 Arizona Constitution and the Securities Act.

2. CONSENTING RESPONDENTS offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. CONSENTING RESPONDENTS violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. CONSENTING RESPONDENTS violated A.R.S. § 44-1842 by offering or selling securities while neither registered as dealers or salespersons nor exempt from registration.

5. CONSENTING RESPONDENTS' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

6. CONSENTING RESPONDENTS' conduct is grounds for an order of restitution in the form set out in the Order, pursuant to A.R.S. § 44-2032.

7. CONSENTING RESPONDENTS' conduct is grounds for administrative penalties under A.R.S. § 44-2036.

### III.

### ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and the consent of ROSENBAUM and SWARTZ to the entry of this Order, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that CONSENTING RESPONDENTS, and any of their agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that CONSENTING RESPONDENTS shall pay restitution to the investors to whom they made direct offers, specifically Richard Romano, Richard Romano, Jr., Todd A. Davis Trust, Ronald H. Davis Trust, and David R. Davis Trust, in the total amount of \$55,000. Full restitution to these investors shall have been made prior to the date of entry of this Order, and CONSENTING RESPONDENTS shall have provided proof, satisfactory to the Securities Division, that such restitution has been

1 paid in full. If such restitution has not been made and/or such proof has not been provided, then  
2 payment shall be made by cashier's check or money order payable to the "State of Arizona" to be  
3 placed in an interest-bearing account maintained and controlled by the Arizona Attorney General.  
4 The Arizona Attorney General shall disburse such funds on a pro rata basis to investors.

5 In lieu of the payment of \$55,000 plus interest, Consenting Respondents may file a written  
6 Release Agreement in one or more counterparts, in the form attached hereto, duly executed  
7 respectively by Richard Romano, Richard Romano, Jr., Todd A. Davis Trust, Ronald H. Davis  
8 Trust and David R. Davis.

9 If CONSENTING RESPONDENTS do not comply with this order of restitution, any  
10 outstanding balance shall be in default and shall be immediately due and payable, plus interest at  
11 the rate of 10% per annum from the date of this Order until paid in full.

12 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that CONSENTING  
13 RESPONDENTS shall jointly pay an administrative penalty in the amount of \$5,000, payable to  
14 the "State of Arizona." Payment shall be made by cashier's check(s) or money order(s) payable to  
15 the "State of Arizona", on the date of this Order or not later than six (6) months from and after the  
16 date of this Order. Any amount outstanding shall accrue interest at the rate of 10% per annum  
17 from the date of this Order until paid in full. The payment obligations for the administrative  
18 penalties shall be subordinate to any restitution obligations ordered herein and shall become  
19 immediately due and payable only after restitution payments have been paid in full, or if  
20 CONSENTING RESPONDENTS have defaulted prior to fulfilling their restitution obligations.  
21 For the purposes of this Order, a bankruptcy filing by either of CONSENTING RESPONDENTS  
22 shall be an act of default on CONSENTING RESPONDENTS' restitution obligations.

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1 IT IS FURTHER ORDERED that this Order shall become effective immediately.

2 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

3  
4 /s/ Marc Spitzer James Irvin  
CHAIRMAN COMMISSIONER COMMISSIONER  
5  
6 Jeffrey Hatch-Miller Lowell Gleason  
COMMISSIONER COMMISSIONER

7 IN WITNESS WHEREOF, I, JAMES G. JAYNE, Interim  
8 Executive Secretary of the Arizona Corporation  
9 Commission, have hereunto set my hand and caused the  
10 official seal of the Commission to be affixed at the  
Capitol, in the City of Phoenix, this 22<sup>nd</sup> day of  
July, 2003.

11  
12 /s/ James G. Jayne  
13 JAMES G. JAYNE  
14 Interim Executive Secretary

15 \_\_\_\_\_  
16 DISSENT

17 This document is available in alternative formats by contacting Shelly M. Hood, Executive  
18 Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail  
shood@cc.state.az.us.

19  
20 (KCD)

**CONSENT TO ENTRY OF ORDER**

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2           1.       STEPHEN ROSENBAUM (“ROSENBAUM”), an individual, admits the  
3 jurisdiction of the Commission over the subject matter of this proceeding. ROSENBAUM  
4 acknowledges that he has been fully advised of his right to a hearing to present evidence and call  
5 witnesses and ROSENBAUM knowingly and voluntarily waives any and all rights to a hearing  
6 before the Commission and all other rights otherwise available under Article 11 of the Securities  
7 Act and Title 14 of the Arizona Administrative Code. ROSENBAUM acknowledges that this  
8 Order To Cease And Desist, Order of Restitution, Order for Administrative Penalties and Consent  
9 to Same by Respondents: Stephen Rosenbaum and Bobbie Jo Swartz (“Order”) constitutes a valid  
10 final order of the Commission.

11           2.       ROSENBAUM knowingly and voluntarily waives any right under Article 12 of the  
12 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief  
13 resulting from the entry of this Order.

14           3.       ROSENBAUM acknowledges and agrees that this Order is entered into freely and  
15 voluntarily and that no promise was made or coercion used to induce such entry.

16           4.       ROSENBAUM acknowledges that he has been represented by counsel in this  
17 matter, he has reviewed this Order with his attorney, and he understands all terms it contains.

18           5.       ROSENBAUM neither admits nor denies the Findings of Fact and Conclusions of  
19 Law contained in this Order.

20           6.       By consenting to the entry of this Order, ROSENBAUM agrees not to take any  
21 action or to make, or permit to be made, any public statement denying, directly or indirectly, any  
22 Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is  
23 without factual basis. ROSENBAUM will undertake steps necessary to assure that all of his  
24 agents and employees, if any, understand and comply with this agreement.

25           7.       While this Order settles this administrative matter between ROSENBAUM and the  
26 Commission, ROSENBAUM understands that this Order does not preclude the Commission from



1 instituting other administrative proceedings based on violations that are not addressed by this  
2 Order.

3 8. ROSENBAUM understands that this Order does not preclude the Commission from  
4 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
5 that may be related to the matters addressed by this Order.

6 9. ROSENBAUM understands that this Order does not preclude any other agency or  
7 officer of the state of Arizona or its subdivisions from instituting administrative, civil or criminal  
8 proceedings that may be related to matters addressed by this Order.

9 10. ROSENBAUM agrees that he will not apply to the state of Arizona for registration  
10 as a securities dealer or salesman or for licensure as an investment adviser or investment adviser  
11 representative until such time as all restitution and penalties under this Order are paid in full.

12 11. ROSENBAUM agrees that, for a period of one year after the date of this Order, he  
13 will not exercise any control over any entity that offers or sells securities or provides investment  
14 advisory services, within or from Arizona.

15 12. ROSENBAUM agrees that until restitution and penalties are paid in full,  
16 ROSENBAUM will notify the Director of the Securities Division within 30 days of any change in  
17 home address or any change in ROSENBAUM's ability to pay amounts due under this Order.

18 13. ROSENBAUM understands that default shall render him liable to the Commission  
19 for its costs of collection and interest at the maximum legal rate.

20 14. ROSENBAUM agrees that he will continue to cooperate with the Securities  
21 Division including, but not limited to, providing complete and accurate testimony at any hearing in  
22 this matter and cooperating with the state of Arizona in any related investigation or any other  
23 matters arising from the activities described in this Order.

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1           15.     ROSENBAUM consents to the entry of this Order and agrees to be fully bound by  
2 its terms and conditions. If ROSENBAUM breaches any provision of this Order, the Commission  
3 may vacate this Order and restore this case to its active docket.

4           16.     This Order settles all claims involving this administrative matter between  
5 Rosenbaum and the Commission.

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7                               /s/ Stephen Rosenbaum  
                                  STEPHEN ROSENBAUM

8     STATE OF Arizona                     )  
9   ) ss.  
   County of Maricopa                    )

10    SUBSCRIBED AND SWORN TO BEFORE me this 25th day of June, 2003.

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12                               /s/ Amy R. Corkill  
                                  NOTARY PUBLIC

13    My Commission Expires:

14       Jan. 13, 2007  
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**CONSENT TO ENTRY OF ORDER**

1. BOBBIE JO SWARTZ (“SWARTZ”), an individual, admits the jurisdiction of the Commission over the subject matter of this proceeding. SWARTZ acknowledges that she has been fully advised of her right to a hearing to present evidence and call witnesses and SWARTZ knowingly and voluntarily waives any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. SWARTZ acknowledges that this Order To Cease And Desist, Order of Restitution, Order for Administrative Penalties and Consent to Same by Respondents: Stephen Rosenbaum and Bobbie Jo Swartz (“Order”) constitutes a valid final order of the Commission.

2. SWARTZ knowingly and voluntarily waives any right under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. SWARTZ acknowledges and agrees that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. SWARTZ acknowledges that she has been represented by counsel in this matter, she has reviewed this Order with her attorney, and she understands all terms it contains.

5. SWARTZ neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order.

6. By consenting to the entry of this Order, SWARTZ agrees not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual basis. SWARTZ will undertake steps necessary to assure that all of her agents and employees, if any, understand and comply with this agreement.

7. While this Order settles this administrative matter between SWARTZ and the Commission, SWARTZ understands that this Order does not preclude the Commission from instituting other administrative proceedings based on violations that are not addressed by this

1 Order.

2 8. SWARTZ understands that this Order does not preclude the Commission from  
3 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
4 that may be related to the matters addressed by this Order.

5 9. SWARTZ understands that this Order does not preclude any other agency or officer  
6 of the state of Arizona or its subdivisions from instituting administrative, civil or criminal  
7 proceedings that may be related to matters addressed by this Order.

8 10. SWARTZ agrees that she will not apply to the state of Arizona for registration as a  
9 securities dealer or salesman or for licensure as an investment adviser or investment adviser  
10 representative until such time as all restitution and penalties under this Order are paid in full.

11 11. SWARTZ agrees that, for a period of one year after the date of this Order, she will  
12 not exercise any control over any entity that offers or sells securities or provides investment  
13 advisory services, within or from Arizona.

14 12. SWARTZ agrees that until restitution and penalties are paid in full, SWARTZ will  
15 notify the Director of the Securities Division within 30 days of any change in home address or any  
16 change in SWARTZ's ability to pay amounts due under this Order.

17 13. SWARTZ understands that default shall render her liable to the Commission for its  
18 costs of collection and interest at the maximum legal rate.

19 14. SWARTZ agrees that she will continue to cooperate with the Securities Division  
20 including, but not limited to, providing complete and accurate testimony at any hearing in this  
21 matter and cooperating with the state of Arizona in any related investigation or any other matters  
22 arising from the activities described in this Order.

23 15. SWARTZ consents to the entry of this Order and agrees to be fully bound by its  
24 terms and conditions. If SWARTZ breaches any provision of this Order, the Commission may  
25 vacate this Order and restore this case to its active docket.

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1           16.     This Order settles all claims involving this administrative matter between Swartz  
2 and the Commission.

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4                               /s/ Bobbie Jo Swartz  
                                  BOBBIE JO SWARTZ

5 STATE OF Arizona )  
6                               ) ss.  
County of Maricopa )

7 SUBSCRIBED AND SWORN TO BEFORE me this 25th day of June, 2003.

8  
9                               /s/ Amy R. Corkill  
                                  NOTARY PUBLIC

10 My Commission Expires:

11     Jan. 13, 2007  
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